

Payday Loan Repayment FAQs

If the customer has not redeemed his/her check by paying cash to the payday lender, should the customer's check be presented on the maturity due date?

Yes. Unless the customer has requested a repayment plan or the payday lender and customer have agreed to an extension to repay the loan.

Can a customer redeem their check from the payday lender by using a debit or credit card?

No. A debit card or credit card is not the same as a cashier's check or cash; and is not specifically authorized in the DPSTA guidelines.

Can a payday lender accept a post-dated check from a customer in connection with a payday loan transaction?

No. The check must be dated as of the transaction date. The check should not be post-dated to the maturity date.

What happens if I can't repay my loan before the due date?

If eligible, you can request to enter into a repayment plan. Eligibility occurs once you enter into your eighth loan transaction within the past 12-month period. Payday lenders must notify customers that a repayment option is available.

Can a customer enter into a new loan transaction agreement while in a repayment plan?

No. Once a customer enters into a repayment plan, the Veritec database will deny approval for any new loan agreements while the customer is in a repayment plan.

Can a customer enter into a new repayment plan while in a repayment plan with another payday lender?

Yes. A customer can enter into two (2) repayment plans at the same time.

Is the customer required to present a new check for a repayment plan?

No. The payday lender is required to keep the original check. At the end of the repayment plan the customer's original check must be returned.

Is the customer required to make the first payment under the repayment plan on the date when the plan is entered into?

No. The first payment is due on the customer's first regular pay date after the repayment plan is signed. In a repayment plan, the customer must repay the transaction in three (3) equal installments with one installment due on each of the customer's next three pay dates that he/she receives regular wages from an employer or other source of income.

Are payday lenders authorized to collect a fee when entering into a repayment plan with a customer?

Yes. Payday lenders are authorized to collect a \$16.13 service fee from a customer for the administration of the repayment plan.

How are payments made under a repayment plan?

In a repayment plan, the customer must repay the transaction in three (3) equal installments with one installment due on each of the customer's next three pay dates that he/she receives regular wages from an employer or other regular source of income.

What happens if I cannot repay the loan and I am not eligible for a repayment plan?

If the customer cannot repay the loan and is not eligible for a repayment plan then their check is going to be presented for payment at their bank. If the check is returned, the customer is going to have to pay a returned check fee to their bank and to the payday lender.